**Research Proposal of the Thesis Entitled**

# Impact of Perceived Monetary Value and Perceived Risk on Buying Intention of Mobile Phone Buyers in Gujarat from Digital Stores

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by


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# 1. Introduction

The Indian e-commerce sector is witnessing unprecedented growth, expected to surge by 84% by the end of 2024. This expansion was notably accelerated by the COVID-19 pandemic, which reshaped consumer behavior by necessitating home-based shopping solutions. With approximately 177 million online shoppers in 2020, including 45 million first-time buyers, the digital marketplace has gained immense traction. While online shopping offers unparalleled convenience—saving time, providing easy access to diverse products, enabling direct-to-consumer transactions, and facilitating price comparisons—it is not without its challenges. Issues such as delayed deliveries, lack of physical interaction with products, fears of fraud, and inadequate after-sales services contribute to perceived risks. Consumers often balance these risks against perceived monetary value, which reflects the benefits they expect relative to the price paid. This interplay is especially evident in the purchase of mobile phones, a high-involvement product category. In Gujarat, a state known for its technological adaptability and growing digital economy, these factors profoundly influence buying intentions. This study explores the dual impact of perceived monetary value and perceived risk on mobile phone purchasing decisions from digital stores, offering insights into the evolving dynamics of consumer behavior in a rapidly transforming retail environment.

The Indian e commerce industry is expected to grow by the 84% by the end of 2024. The industry has got its boom created by the pandemic impact caused by the coronavirus. The growing chain in the virus led to the immense growth in the Internet shopping where everything was required to be delivered and ordered from home, it was a blessing in disguise for the industry.

The Indian e-commerce industry is poised for remarkable growth, projected to expand by 84% by the end of 2024, largely driven by the pandemic's impact on consumer behavior. The shift towards online shopping has been significant, with 177 million online shoppers in 2020, including 45 million first-time users. This transition has prompted marketers to enhance their digital presence to capture the evolving consumer landscape. The following sections delve into the key factors contributing to this growth, the benefits and challenges of online shopping, and the changing consumer perceptions.

The development in the internet has also developed many fears as well as benefits of shopping over the digital platform.

There are many benefits of online shopping it saves time and efforts. We can easily have D2C mode of shopping at a click. There are wide varieties and ranges of product that can be available, this also gives us a chance for easy comparison and selective buying on the internet. It is often flooded with offers and discounts which gives us a chance to avail the benefits of competitive prices. We can also find the detailed information about the product and its features clearly mentioned in black and white. Online shopping gives us an edge to shop without any haste and under pressure.

With boon Comes the bane delay in delivery, lack of physical interaction with the product, missing the customer experience, fear of frauds and online cheats, low quality delivery of products, bad after sales or no after sales service, no customer care; are the other side of the coin.

Customer develops his own perception towards the product before making a decision to buy. Comparative and intuition-based shopping is the behavior predominantly seen in the online shoppers. The most perceived value by the customer on the online portal is the perceived monetary value of the product. The customer perceived monetary value is the price that a customer is willing to pay for the product with an expectation of receiving maximum benefit for the price paid. The customer not only perceives value but also associates the risk involved in the online shopping before making a decision. The fear of not meeting the expectation as perceived online, effects the behavior of the online Shoppers.

The impact of perceived monetary value and perceived risk on the buying intention of mobile phone consumers in Gujarat from a digital store is a complex and multifaceted subject. Perceived risk includes the possible drawbacks where a person can decide not to shop even when there is great perceived monetary value about the product available online, whereas perceived monetary value is the consumer's evaluation of the product's value in relation to its price which is measurable but at the same time risk perception is not measurable. These elements are important in determining how Gujarati consumers behave while buying mobile phones from online retailers. The quick development of digital retail channels and e-commerce has changed how people buy mobile phones, bringing with it new factors like risk and value in addition to convenience. Examining how these impressions affect purchasing intentions is the goal of this study, which could offer useful information to marketers and merchants in the mobile phone sector. In Gujarat, a state renowned for its tech-savvy populace and expanding digital economy, it is especially important to comprehend these dynamics.

## 2. Scope of Study

Online shopping for mobile phones has significantly evolved, led by rapid advancements in technology and changing consumer behaviors. However, as digital retail channels expand, the decision-making process for consumers has become increasingly complex. Key factors influencing online purchasing behavior include perceived monetary value and perceived risk. While consumers are drawn to the convenience, variety, and competitive pricing of online platforms, concerns over product authenticity, quality, security, and after-sales support continue to affect their confidence.

For marketers and retailers, understanding the intricate balance between these perceptions is critical to addressing customer expectations from digital stores. These dynamics are especially noticeable in Gujarat, a state with a tech-savvy populace and a developing digital economy. Even though online shopping is becoming more and more popular, little is known about how perceived risk and monetary value affect consumers' intentions to make purchases of various products. In a highly competitive market, these disparities poses a problem for companies looking to maximize their tactics and preserve client loyalty amongst ever changing trade. The way people shop online varies greatly depending on the type of product. While many items are readily trusted by consumers and lead to purchases right away, others require careful consideration and investigation before buyers decide to buy particularly when the product cannot be physically viewed before buying. Electronic devices like cell phones, constitute a separate category in online purchasing due to their clear specifications, box-packed delivery, and warranties or guarantees that are similar to those found in-store.

Nevertheless, in spite of these guarantees, consumers frequently carefully consider perceived risk and monetary worth before making a purchase.

There is a gap in study on factors involved in buying electronic goods like mobile phones because most of the research has been done on online shopping behavior of generic customer preferences. Since mobile phones are high-involvement items, their technological characteristics, brand perception, and related hazards may all have an impact on their purchase behaviour. Investigating consumer online purchasing patterns in this setting, especially in Gujarat's quickly changing digital marketplace, may provide insights that diverge from more general research on online purchasing. The purpose of this study is to close this knowledge gap and offer a more thorough comprehension of the elements influencing mobile phone purchases in online retailers.

This research seeks to address this gap by investigating how perceived monetary value and perceived risk influence the buying intentions of mobile phone consumers in Gujarat's digital stores, offering actionable insights for improving customer experiences and enhancing digital marketing effectiveness.

## 3. Review of Literature

Ahmad, Imran, (2020): Perception of Customers Towards Online Shopping, researched on risk perceptions and factors affecting perceptions of online shoppers. The study was conducted through structured questionnaire. Altaf Hussain (2020) Javed Ahmed Shaikh presented in his study "An Empirical Study Of Consumer Perceptions Towards Online Shopping", a descriptive study using Factor analysis said that the most significant factor of consumer perception was the accessibility and variety available on online shopping portals, the second factor was derived as payment options and risk involved in the online shopping, while the third most significant factor was risk perceived in online shopping and challenges involved in online shopping was the fourth most significant factor. "What Drives Online Grocery Shopping?" a paper written by Chinonso Etumnu, Nicole Olynk Widmar, Kenneth Foster, (2019), They predicted that the online grocery market in United States will boost till dollar 100 billion by 2022. The paper spoke about consumer perception towards relative price service quality and food safety on online grocery shopping. Identification of perceived risks and impact of perceived risk on the purchase intention of online shopping mediated by customer satisfaction. Heriyana, Ma'ruf, P L, & Chan, (2019). The research concluded psychological risk , financial risk, performance risk, physical risk, time risk and social risk are perceived risks from online shopping.

M. A. Rahman, Md. A. Islam, B. H. Esha, N. Sultana and S. Chakravorty, (2018), highlighted the emerging online shopping trend among shoppers, it showed why the customers were not willing to shop on online platform. The research was conducted by collecting data using a questionnaire within the city of Dhaka. The study highlighted that the desired mode of payment by the customer was cash on delivery along with payment gateways.

Siddharth Das (2017) in his research on Online shopping studied factors like, perceived risk, consumer innovativeness, internet self-efficacy, hedonic shopping values, utilitarian shopping values and intention to purchase online. He statistically proved that financial risk, social risk, time risk and psychological risk has more impact in comparison to performance and privacy risk on consumers future intentions to shop online. Based on the study, it was found that time risk , performance risk, social risk, and psychological risk were highly influenced by hedonic

shopping values. Utilitarian shopping value has a great influence on psychological risk and financial risk while consumer self-efficacy has a great influence of psychological risk. Consumer innovativeness has also influenced financial risk, social risk, and time risk. Aahamad, M. L., & Zafar, S. M. (2017). Consumer Perception towards Online Shopping. Abrar, K., Naveed, M., & Ramay, M. I. (2017). Impact Of Perceived Risk on Online Impulse Buying Tendency: An Empirical Study In The Consumer Market Of Pakistan. Al-Debei, M. M., Akroush, M. N., & Ashouri, M. I. (2015). Consumer attitudes towards online shopping: The effects of trust, perceived benefits, and perceived web quality.

The intention to purchase online is significantly impacted by perceived risks, as many consumers believe that online shopping involves greater uncertainty compared to traditional retail (Kamalul Ariffin et al., 2018). Concerns about product quality and potential financial losses are among the primary contributors to these perceptions (Almousa, 2014). Various types of risks, including financial, product-related, security, temporal, social, and psychological risks, can act as barriers to online shopping (Cunningham et al., 2005; Flavián, 2005).

Delbaere (2010) states that perceived risk is the expectation of loss or adverse consequences that customers have when making purchases online. This encompasses a broad spectrum of risks including those pertaining to goods money time society psychology and security. Financial risk is the fear of losing money or other valuables when making purchases online. Consumers might worry that their money spent on a product won't be worth it or that their financial data will be stolen. Product risk refers to worries regarding the performance suitability or quality of the item that was purchased. Frequently customers are concerned about whether the product will live up to their expectations or if it will break down quickly.

Financial Risk: When it comes to online shopping consumers may be discouraged by worries about financial loss (Aboobucker 2019). Confidence in well-known brands can lessen these dangers (Hong et al. 2019).

Product Risk: The inability to examine products in person gives rise to questions regarding their caliber (Han and Kim 2017). Detailed product descriptions can allay these concerns (Ariff et al. 2014).

Security Risk: Concerns regarding the privacy of personal data during online transactions can erode customer confidence (Sudibyo et al. 2020). Strong security protocols are essential for building trust (Arshad et al. (2015)).

Risk of late delivery: Customers may choose well-known brands that offer speedier service due to potential delivery delays (Hong et al. 2019).

Social Risk: Customers purchasing decisions may be influenced by worries about their social acceptance because they may be afraid of their peers' unfavourable opinions (Han and Kim 2017).

Psychological Risk: Consumer confidence may suffer if they are not happy with their online shopping experience (Sudibyo et al. 2020). Good online experiences improve customer satisfaction (Hong et al. (2019).

## 4. Objectives of Study

The study aims to examine the impact of perceived monetary value and perceived risk on online shopping behavior of customer shopping mobile phones from digital stores, specifically of buyers in Gujarat. The detailed objectives are stated below:

**4.1 To identify factors influencing customers' perceptions of online shopping:**

Explore the various elements that shape how customers perceive products and services in the online marketplace.

**4.2 To examine the perceived risks associated with online shopping:**

Investigate the risks customers associate with online shopping, including concerns about product quality, security, and reliability.

**4.3 To establish a correlation between perceived risk and online buying behavior:**

Analyze how perceived risks influence customers' decision-making processes and their willingness to engage in online shopping.

**4.4 To study customers' perceptions of monetary value in the online shopping context:**

Assess the associations customers make between the price of a product and their expectations of quality and benefits in online shopping scenarios.

**4.5 To analyze the relationship between perceived monetary value and online buying behavior:**

Examine how customers' evaluation of monetary value impacts their online purchasing decisions and provide insights for pricing strategies and product positioning in the digital marketplace.

## 5. Research Methodology

### 5.1 Hypothesis

H1: There is no significant correlation between the perceived risk and the perception of customers towards online shopping.

H2. There is no significant correlation between the perceived monetary value and the perception of customers towards online shopping.

### 5.2 Research Design

The research is conducted on the basis of descriptive cum exploratory research design. The research study is descriptive because it is well organised and formulate to measure the characteristics described in the research questions. This procedure generally requires the formulation and testing of hypotheses extracted from theory and shows the relationships between variables (Hair, Black, Babin, & Anderson, 2006). The research study is exploratory because the study is qualitative in nature. (Tegan George, 2007)

### 5.3 Data Sampling

The target population for the study for the data collection is in Gujarat, all online shoppers who have shopped any product online are eligible for as the sample. The judgmental sampling technique is used during the study for sampling as the research requires the data from the online shoppers. It is non probability sampling technique that the researcher has selected.

### 5.4 Sample Size

Cochran formula is used to calculate the sample size for the study for calculation for a large population with 95% confidence level. The Cochran method for sample size calculation was formulated by William G. Cochran, a prominent statistician, in 1977 to determine the sample size from a given population. Below is the mathematical illustration for the n0 = (t)2*(p)(q) /(d)2 =384 Where: n0 is the sample size, t is the value for the selected alpha level, e.g. 1.96 for (0.25 in each tail) a 95 percent confidence level. p is the estimated proportion of an attribute that is present in the population. q is 1-p. (p)(q) are the estimate of variance. d is the acceptable

margin of error for proportion being estimated, so the confidence interval, in decimals. Where: n signifies the sample size. Hence the average sample size is of 387.

### 5.5 Data Collection

The study will use both primary and secondary source of Data Collection. The primary source of data is collected via survey method whereas lot of online secondary data has been read and referred. The questionnaire will be distributed through various offline and online medium.

### 5.6 Research Instrument Development

Defined closed ended structured questionnaire will be used as a research instrument to collect the data. The research will be based on a questionnaire consisting of three sections.

Section A, will have questions related to internet awareness, willingness to shop on online platform, time spent on browsing and comparing the products,

The section B, is the second part of the questionnaire which will analyze the risk perceived by the customer while they are shopping online or making a decision to shop online. This section will also cover the response related to the monetary value that a customer perceives while making a decision to shop online.

The responses will be based on a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The Plan of study is incorporated in 4 steps mentioned below.

### 5.7 Identifying the factors

On the basis of exploratory research and literature review measurement for the customer's risk perception and perception of monetary value towards online shopping will be collected and developed as factors affecting online buying process.

### 5.8 Filtering of factors

Sorting of the factors will be done to meet the requirement of the research study and to reach the objective.

### 5.9 Focus group study

Focus Group study will be conducted through group discussions and expert inputs to understand the views of respondents on the topic of research this Focus Group study can help in arriving at meaningful conclusion meeting research objectives.

### 5.10 Pilot Testing

A pilot study will be conducted by circulation of questionnaire to a selected group of 50-100 customers who have shopped online, to remove the discrepancy of a non-result-oriented variables included in the questionnaire.

### 5.11 Statistical Tools

The statistical tools that will be used for research are frequency distribution, standard deviation exploratory factor analysis, confirmatory factor analysis, T test and descriptive research.

## 6. Chapters of Thesis Plan

**Chapter: I: Introduction**

This chapter will include the introduction to the Customer's shopping trend online and customer online buying behavior.

**Chapter: II: Literature Review**

This chapter, will comprise of the available literature on the topic and create an understanding of the subject.

**Chapter: III: Research Methodology**

This part of the thesis will include the research problem, objectives and

hypotheses of the study, sampling procedure, data collection process and statistical

tools used in the study.

**Chapter: IV: Data Analysis and Interpretation**

This chapter incorporates analysis and data interpretation by using various statistical tools and technique.

**Chapter: V: Findings, Conclusion and Suggestions**

This chapter presents the major findings of the study alongside the objectives of the study, conclusion, suggestions and limitations of the study, including the scope for further research.

## 7. Visible Outcome

This research will provide valuable insights into the factors influencing online buying behavior for mobile phones, such as perceived monetary value and risk.

It will help identify strategies to build customer trust, optimize pricing, and mitigate risks through enhanced transparency and support.

Retailers and marketers can use these findings to design targeted marketing strategies, improve customer experiences, and boost sales.

For academics, the study will contribute to the existing study on consumer behavior in online shopping, particularly for high-involvement products like mobile phones.

Policymakers and businesses in Gujarat's growing digital economy can leverage these insights to strengthen the e-commerce ecosystem, ensuring sustainable growth and enhanced customer satisfaction.

There will be concrete results from the study that will contribute in form of:-

1. Working papers

2. Ph.D. Thesis

## 8. Future Plans

### 8.1 Expanding Research to Other Products:

Examine the impact of perceived monetary value and risk on the online purchasing behavior of other high-involvement products like home appliances or electronics.

### 8.2 Regional Comparisons:

Extend the study to compare online shopping behaviors across different states or regions, exploring how cultural and economic factors shape consumer decisions.

### 8.3 Incorporating New Technologies:

Explore how innovations like artificial intelligence, augmented reality, and blockchain can address perceived risks and enhance customer perceptions of value in online shopping.

### 8.4 Framework for Building Trust:

Develop strategies and frameworks to help e-commerce platforms build and sustain consumer trust, focusing on transparency, quality assurance, and reliable customer service.

### 8.5 Long-Term Behavioral Analysis:

Conduct longitudinal studies to understand how consumer perceptions of online shopping evolve with advancements in digital retailing and technology.

### 8.6 Business-to-Business (B2B) Applications:

Analyze how perceived value and risk impact purchasing decisions in the B2B sector, especially for electronic products and mobile devices.

### 8.7 Impact on Digital Economy:

Assess the role of changing consumer behavior in driving the growth of Gujarat's digital economy and identify strategies to support sustainable development.

### 8.8 Training for Marketers and Retailers:

Create educational resources and training programs to equip marketers and retailers with insights to address consumer concerns and enhance their strategies based on the findings of this research.

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